

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2018-255-E - ORDER NO. 2018-724
NOVEMBER 20, 2018

IN RE: Application of Duke Energy Progress, LLC) ORDER APPROVING
for Approval of Rider 10, Demand-Side) RIDER 10
Management and Energy Efficiency)

This matter comes before the Public Service Commission of South Carolina (“Commission”) on the Application of Duke Energy Progress, LLC (“DEP” or “the Company”) for approval of Demand-Side Management (“DSM”) and Energy Efficiency (“EE”) Rider 10 (“Rider 10”).

Calculations for Rider 10 were computed in accordance with the Application, testimony, and the Commission’s Order in Docket No. 2015-163-E¹. The specific components of Rider 10 include DSM/EE costs allocated jurisdictionally to South Carolina for the test period, January 1, 2017, through December 31, 2017, and for the forecast period, January 1, 2019, through December 31, 2019; net lost revenues for DSM and EE programs as applicable; and program/portfolio performance incentives (“PPI”) as applicable, in accordance with Order No. 2015-596. The revenue the Company proposes to recover through the proposed Rider 10 is \$23,599,525 for Residential Customers and \$9,747,973 for Non-Residential Customers.

¹ *Application of Duke Energy Progress, LLC to Establish a New Cost Recovery and Incentive Mechanism for Demand-Side Management and Energy Efficiency Programs*, Docket No. 2015-163-E, Order No. 2015-596 (August 19, 2015) (“Order No. 2015-596”).

A Notice of Filing was published in newspapers of general circulation in the Company's service area. A Petition to Intervene was filed and subsequently granted as to Walmart, Incorporated. A Joint Petition to Intervene was filed by the Southern Alliance for Clean Energy and the South Carolina Coastal Conservation League and subsequently granted. The Office of Regulatory Staff ("ORS") is a party to this proceeding as per S.C. Code Ann. § 58-4-10(B).

DEP moved for expedited review of this matter, which includes a waiver of hearing. Under the terms of S.C. Code Ann. § 58-27-870(F), a proposed rate may be put into effect without a hearing, inter alia, when the proposed rate does not require a determination of the entire rate structure and overall rate of return, and when the new rate will facilitate an orderly rate administration, all of which are true in this case. Further, since there are also no objections from the parties, the waiver of the hearing is granted.

The ORS filed its review report, which made two recommendations for adjustments to the proposal: (1) a reduction to the proposed Residential rate from 1.050 cents per kilowatt-hour to 1.049 cents per kilowatt-hour to account for a calculation error in the Residential Energy Conservation Discount ("RECD") Adjustment contained in Exhibit 1 of the Company's Application; and (2) adjustments of \$560.18 to the Company's total system program costs due to insufficient supporting documentation, and \$7,405.76 to South Carolina program costs to reflect a change the Company made in the allocation of incentive costs. The ORS determined that the program cost adjustments could be made through correcting journal entries by the Company prior to its next annual filing since the impact on the proposed rates are negligible. The Company has agreed to accept the

recommended rate reduction resulting from the corrected RECD Adjustment, and to make the program cost adjustments through correcting journal entries prior to its next annual filing. The Commission has examined the adjustment to the Company's proposal, and we approve it as filed, and as reasonable under the circumstances described. The effect of this adjustment on the billing factors originally proposed and the resultant billing factors are as follows, stated in cents per kWh:

<u>DSM/EE Rider</u>	<u>Requested 2019 Rate</u>	<u>Adjusted 2019 Rate</u>
Residential	1.050	1.049
Non-Residential	0.636	0.636

We note that this cost recovery encompasses nineteen DSM/EE programs. ORS reports that the currently active programs are performing well.

According to the ORS report filed on October 15, 2018, the Company reports that realized cumulative energy savings for the Company's portfolio of programs have exceeded the anticipated energy savings by approximately eight-and-a-half percent (8.5%), and achieved one-hundred percent (100%) of the forecasted peak demand reduction. We have examined the proposed rates as adjusted by ORS and agreed to by the Company, and hereby adopt them as described above, including both the requested 2019 residential rate, as adjusted, and the 2019 non-residential rate.

Further, we appreciate the collaborative nature of these proceedings and encourage DEP to continue to consider the comments and recommendations made by the Intervenors.

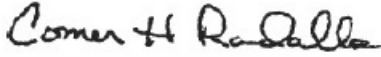
IT IS THEREFORE ORDERED:

1. That DEP's request to implement Rider 10 is approved, subject to the ORS adjustments. The rider shall be in effect from January 1, 2019, to December 31, 2019, or until further order of the Commission.

2. That DEP shall file its tariff for the approved rates on or before December 20, 2018, using the Commission's E-Tariff filing system. The tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations.

3. That this Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:


Comer H. "Randy" Randall, Chairman

ATTEST:


Jocelyn Boyd, Chief Clerk/Administrator